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TO RUEHC/SECSTATE WASHDC 2339
INFO RUEHCL/AMCONSUL CASABLANCA 0997
RUEHAS/AMEMBASSY ALGIERS 3617
RUEHTU/AMEMBASSY TUNIS 8525
RUEHNK/AMEMBASSY NOUAKCHOTT 2903
RUEHFR/AMEMBASSY PARIS 3922
RUEHRO/AMEMBASSY ROME 1405
RUEHMD/AMEMBASSY MADRID 5291
RUEHLO/AMEMBASSY LONDON 2699
RUEATRS/DEPTTREAS WASHDC
RUCPDOG/USDOC WASHDC
RUEHC/DEPT OF LABOR WASHDC
RUEHRC/USDA FAS WASHDC 0830
RUEAORC/USCBP WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC
RUEHLMC/MILLENNIUM CHALLENGE CORPORATION WASHINGTON DC
RHMCSUU/DEPT OF ENERGY WASHINGTON DC
RUEAEPA/HQ EPA WASHINGTON DC

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SIPDIS

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DEPT FOR NEA/MAG, NEA/OFI AND INL/AAE
DEPT ALSO FOR EB/TPP, EB/IFD AND DRL/IL
STATE PASS USTR FOR DOUG BELL
STATE PASS USAID FOR JENNIFER RAGLAND
USDOC ITA/MAC/ANESA FOR DAVID ROTH
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USDOL FOR ILAB
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LONDON FOR TSOU
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E.O. 12958: N/A

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SUBJECT: MOROCCO ECONOMIC HIGHLIGHTS

More Americans Traveling to Morocco

¶1. The flow of American tourists to Morocco has increased through November 2005 by 16 percent in terms of arrivals and by 23 percent in terms of bed-nights, compared to the same period one year earlier. National air carrier Royal Air Maroc (RAM) has also recorded a 23 percent increase in its U.S.-Morocco passenger traffic in 2005. RAM estimates that 20-25 percent of the 92,000 customers on its New York-Casablanca line are Americans. The airline attributes some of this increase to a rise in transit traffic to the Middle East, Europe and Africa, and the opening of new routes to Cameroon, Togo, Benin and Burkina Faso.

Expatriate Remittances up Eight Percent

¶2. Moroccans resident abroad have sent back \$3.7 billion in the first 10 months of 2005, an increase of eight percent over the same period in 2004. According to figures published by the Moroccan Exchange Office, this is 23 percent higher than the average registered over the same period of the last five years (2000 to 2004), when the transfers stood at an average of \$2.7 billion.

Call Centers Flourish

13. Maroc Telecom lowered its fees for call centers operating in conjunction with companies in Belgium, France and Spain on Dec. 19, in an effort to encourage the creation of more centers and an increase in telephone traffic. Call centers, which made their first appearance in Morocco just five years ago, now employ over 10,000 Moroccans.

Morocco Adopts IMF Data Standards

14. Morocco joined 60 other countries last week when it subscribed to the International Monetary Fund (IMF) Special Data Dissemination Standards (SDDS). The Ministry of Finance and Privatization announced Morocco's certification by the IMF on Monday, December 19. GOM officials called it a "crowning achievement" on the part of various economic and financial agencies to conform to international standards and harmonize the collection and dissemination of economic and financial statistical data using best international practices. SDDS was established by the IMF to assist countries seeking access to international capital markets.

Subsidies to be Phased Out - Eventually

15. The Moroccan government intends to gradually phase out subsidies to basic commodities that currently cost the government over \$1.1 billion annually. The Government has launched what it called a "gradual and definitive" liberalization of subsidized products, according to Minister-

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delegate for Economic Affairs, Rachid Talbi Alami. Annual subsidies to basic commodities include \$440 million for petroleum products, \$430 million for butane gas and \$240 million for sugar. The GOM has already successfully phased out subsidies for cooking oil which had cost \$220 million annually.

Morocco Opens its Skies to the EU

16. Morocco and the European Union signed an open skies agreement on Dec. 14 to liberalize air travel starting next year. The pact allows Moroccan air carriers to fly to and transit from any EU airport, and reciprocally, opens Moroccan airports to all EU carriers. Moroccan authorities hope the agreement, which will come into force on Jan. 1, 2006, will bring more European tourists into Morocco. Morocco already had separate aviation agreements with individual EU states, but seeks through this new agreement to intensify aviation competition and bring in the additional travelers it needs to achieve its goal of 10 million tourist arrivals by 2010. The GOM estimates that without such an agreement, national airline Royal Air Maroc would have had to invest over \$3 billion to expand its fleet by 60 new planes over the next five years.